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Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOFS OF CLAIM NUMBERS 8012 AND 16200 (BASF CORPORATION AND
CONTRARIAN FUNDS, LLC)

("STATEMENT OF DISPUTED ISSUES –BASF CORPORATION")

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proofs Of Claim Numbers 8012 And 16200 (the "Proofs Of Claim") filed by BASF Corporation ("BASF") and subsequently transferred to Contrarian Funds, LLC ("Contrarian," and together with BASF, the "Claimants") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors, filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.
2. On June 16, 2006, BASF filed proof of claim number 8012 ("Proof Of Claim No. 8012") against DAS LLC. The Proof Of Claim asserts an unsecured non-priority claim of \$856,055.16 for the sale of goods.
3. On July 19, 2006, BASF transferred Proof Of Claim No. 8012 to Contrarian pursuant to a notice of transfer (Docket No. 4607).
4. On August 14, 2006, BASF filed proof of claim number 16200 ("Proof of Claim No. 16200, and together with Proof Of Claim No. 8012, the "Claims") against DAS LLC, which purports to amend Proof of Claim No. 8012. Proof Of Claim No. 16200 asserts an unsecured non-priority claim of \$1,015,234.23 also for the sale of goods. Proof of Claim No. 16200 adds \$259,179.07 to the amount asserted by BASF in Proof of Claim No. 8012.

5. On February 15, 2007, the Debtors objected to Proof of Claim No. 16200 pursuant to the Debtors' Ninth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. Section 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claims, And (D) Claims Subject To Modification (Docket No. 6968) (the "Ninth Omnibus Claims Objection").

6. On March 15, 2007, BASF filed its Response To Debtors' Ninth Omnibus Objection To Claims (Substantive) (Docket No. 7286) (the "Response To Ninth Omnibus Objection").

7. On March 16, 2007, the Debtors objected to Proof of Claim No. 8012 filed pursuant to the Debtors' Eleventh Omnibus Objection (Substantive) Pursuant To 11 U.S.C. Section 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claims, And (D) Claims Subject To Modification (Docket No. 7301) (together with the Ninth Omnibus Claims Objection, the "Objections").

8. On April 13, 2007, the BASF filed its Response To Debtors' Eleventh Omnibus Objection To Claims (Substantive) (Docket No. 7681) (the "Response To Eleventh Omnibus Objection," and together with the Response to Ninth Omnibus Objection, the "Responses").

Disputed Issues

A. DAS LLC Does Not Owe BASF The Amount Asserted In Proof Of Claim Number 8012

9. BASF asserts in Proof Of Claim No. 8012 that DAS LLC owes BASF a total of \$856,055.16 for goods sold. BASF did not include any supporting documentation with

Proof Of Claim No. 8012, but did include a schedule with the Response To Eleventh Omnibus Objection. DAS LLC disputes that it owes the amount asserted in Proof Of Claim No. 8012.

10. A portion of Proof Of Claim No. 8012 in the amount of \$157,410.00 was paid in advance of the filing of the Debtors' chapter 11 petitions, and therefore that amount is not recoverable. Specifically, DAS LLC paid \$62,860.00 by wire transfer dated September 22, 2005 for invoices that had been received in September 2005. DAS LLC also paid \$94,550.00 to BASF on September 29, 2005 as a cash in advance payment for goods provided in October 2005. The Claims must be reduced by the amount of these payments.

11. In the weeks before the Petition Date, DAS LLC was forced to implement an advance payment agreement with BASF in order to ensure a continuous supply of parts. While DAS LLC does not believe that it had any legal or contractual obligation to do so, DAS LLC negotiated with BASF, and the parties reached an agreement whereby DAS LLC agreed to pay all open and due invoices. The parties further agreed that BASF would provide a 1% discount on future invoices if Delphi paid in advance. Because DAS LLC entered into such agreement, the amount of Proof Of Claim No. 8012 must be reduced by an additional \$2,184.45, to account for this 1% discount.

12. DAS LLC does not dispute that the remaining \$696,510.71 of Proof Of Claim No. 8012 should be allowed as an unsecured non-priority claim against DAS LLC.

B. The Parties Have An Agreement In Principle That, If Proof Of Claim No. 8012 Is Settled, Then Proof Of Claim 16200 Shall Be Disallowed And Expunged

13. The Debtors and BASF have agreed, in principle, that if Proof Of Claim No. 8012 can be settled, then Proof Of Claim No. 16200 shall be disallowed and expunged in its

entirety. BASF acknowledges that it does not seek duplicate recovery through the two Proofs Of Claim. Moreover, the Debtors' books and records only reflect outstanding liability to BASF in the amount of \$696,510.71. BASF has not provided sufficient documentation in either of the Proofs Of Claim, including legible invoice numbers, purchase order numbers, and proofs of delivery, to establish a claim for any amount over and above \$696,510.71.

Reservation Of Rights

14. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claims and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claims.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) allowing Proof Of Claim No. 8012 in the amount of \$696,510.71 as a general unsecured non-priority claim against the estate of DAS LLC, (b) disallowing and expunging Proof Of Claim No. 16200 in its entirety, and (c) granting the Debtors such other and further relief as is just.

Dated: New York, New York
November 9, 2007

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